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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Approval of its Forecast 2017 ERRA Proceeding Revenue Requirement.

Application 16-05-001
(Filed May 2 2016)

SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER

Summary

Pursuant to Rule 7.3 of the Commission's Rules of Practice and Procedure (Rules),¹ this Scoping Memo and Ruling sets forth the procedural schedule, assigns the presiding officer, and addresses the scope of this proceeding and other procedural matters following the prehearing conference held on June 29, 2016.

1. Background

On May 2, 2016, Southern California Edison Company (SCE) filed its *Application of Southern California Edison Company in its Forecast 2017 Energy Resource Recovery Account (ERRA) Proceeding* (Application), in which SCE requests that the Commission adopt its forecasted 2017 ERRA revenue requirement of \$4.149 billion. The forecast includes proposed 2017 fuel and

¹ All references to rules are to the Commission's Rules of Practice and Procedure, which are available on the Commission's website at <http://www.cpuc.ca.gov/PUC/aboutus/Divisions/CSID/Public+Advisor/RulesAndProcedures.htm>.

purchased power costs, including miscellaneous expenses, such as spent nuclear fuel expense. It also includes currently estimated December 31, 2016 year-end balancing account balances that SCE requests to recover from or return to customers.

On May 12, 2016, Resolution ALJ-176-3377 preliminarily determined that this proceeding was ratesetting and that hearings would be necessary. On June 3, 2016, protests were filed by the Office of Ratepayers Advocates (ORA) and the City of Lancaster (Lancaster). The Alliance for Retail Energy Markets and the Direct Access Customer Coalition (AReM-DACC) filed a joint response on June 3, 2016. On that same date, a separate response was filed by the Public Agency Coalition (PAC). SCE filed its reply to the responses and protests on June 13, 2016.

A prehearing conference (PHC) was held on June 29, 2016 in order to establish the service list, discuss the scope, and develop a procedural timetable for the management of this proceeding. The City of Los Angeles filed a Motion for Party Status on July 3, 2016. The motion was unopposed and granted.

2. Category, Need for Hearing, and Ex Parte Rules

The Commission preliminarily categorized this Application as ratesetting as defined in Rule 1.3(e) and anticipated that this proceeding would require evidentiary hearings. The parties did not oppose the Commission's preliminary categorization or need for hearing. This ruling affirms the preliminary categorization of ratesetting and the need for hearing and today's scoping memo adopts a procedural schedule that includes a hearing. However, the hearing may be cancelled if the parties are able to informally resolve issues of material fact before the hearing date. In a ratesetting proceeding, ex parte rules as set forth in

Rules 8.1, 8.2, 8.3, 8.5, and Pub. Util. Code § 1701.3(a)² apply. This ruling as to category is appealable pursuant to Rule 7.6.

3. Discovery

If parties have discovery disputes they are unable to resolve by meeting and conferring, they should raise these disputes with the presiding officer, pursuant to Rule 11.3.

4. Considerations

AReM-DACC requests that the Commission ensure that the calculation methodology for the Power Charge Indifference Amount (PCIA) and Competition Transition Charge (CTC) are consistent with D.11-12-018 and Resolution E-4475, and that the calculation of the Cost Allocation Mechanism (CAM) is consistent with D.10-12-035. These issues are appropriately within the scope of this proceeding, and to the extent that any party alleges that SCE has not followed existing Commission laws, rules or procedure, they may present those issues in testimony or via motion and/or brief.

PAC shares the above concerns about the PCIA and CTC and also urges SCE to provide information to the parties about its fuel costs and costs associated with GHG emissions instead of redacting these within SCE's financials. PAC argues that these costs are key to the evaluation of SCE's proposed Indifference Amount and that the figures are needed well before SCE's November Update. In addition, PAC expresses concern that a May 9, 2016 joint ruling reopening the record in the San Onofre Nuclear Generating Station (SONGS) settlement case³

² All references to sections are to the California Public Utilities Code.

³ D.14-11-040 in proceeding I.12-10-013, approved a 2014 settlement agreement between Southern California Edison Company (SCE) and San Diego Gas & Electric Company (SDG&E)

Footnote continued on next page

will adversely impact the settlement agreement that PAC, AReM-DACC, Lancaster, ORA and the California Large Energy Consumers Association reached with SCE in its 2015 ERRA application proceeding.⁴

Lancaster joins PAC in its concern that SCE has redacted key information about its fuel costs and costs associated with GHG emissions in SCE's financials. Lancaster also objects that SCE does not organize the estimated rate information in its application by class and functional rate component, as required by D.15-12-033.⁵ In addition, Lancaster seeks detail from SCE about its Green Tariff Shared Renewables (GTSR) program participation, in order to confirm that SCE's procurement of GTSR resources complies with D.15-01-051, which requires GTSR to be procured separately from SCE's Renewables Portfolio Standard (RPS) requirement.

Finally, ORA seeks assurance that SCE's total 2017 ERRA revenue requirement of \$4.149 billion is reasonable and that SCE will comply with the methodologies in D.14-10-033 with respect to its forecasts of Greenhouse Gas (GHG) revenue.

In its reply to the parties' protests and responses, SCE generally agrees that the parties' concerns are properly within the scope of the proceeding. SCE indicates that it will provide GTSR program and GHG information no later than

and four settling parties to resolve rate recovery issues related to the premature shutdown of San Onofre Nuclear Generating Station (SONGS), following a steam generator tube leak on January 31, 2012. On May 9, 2016, the Assigned Commissioner and Administrative Law Judge issued a Joint Ruling Reopening the Record to review the 2014 settlement agreement.

⁴ See D.15-10-037 in A.14-06-011, which addressed how costs from the SONGS settlement would be treated with respect to ERRA-related matters.

⁵ See Ordering Paragraph 4 of D.15-12-033 in A.15-05-007.

its November Update. As part of its Update, SCE will also provide the estimated rate information that Lancaster desires in a format organized by class and functional rate component. SCE asserts that it has not improperly redacted any financial information because the redacted information is confidential and protected from disclosure to market participants. However, SCE indicates that it will provide the financial information to experts retained by the parties provided the retained expert signs a Commission-approved Non-Disclosure Agreement. Finally, SCE seems to share PAC's concerns about reopening the record in the SONGS settlement proceeding. SCE indicates that it intends to submit briefing to oppose the reopening of the record in that proceeding.

5. Scope of Proceeding

The scope of this proceeding has been defined through the application, testimony submitted with the application, written protests/responses, the reply filed by SCE and the parties' discussions during the PHC.

The issues to be considered in this proceeding are:

1. Whether the Commission should find reasonable SCE's requested 2017 Erra forecast revenue requirement of \$4.149 billion, including:
 - a. SCE's forecast of electric sales, fuel and purchased power expenses?
 - b. SCE's forecast GHG costs of \$308.759 million?
2. Whether the calculation methodology for the PCIA and CTC are consistent with D.11-12-018 and Resolution E-4475?
3. Whether the calculation of the CAM, is consistent with D.10-12-035?

4. Whether SCE's request and methods used to determine the items above are in compliance with all applicable rules, regulations, resolutions and decisions for all customer categories?
5. Whether there are any safety considerations raised by this application?
6. What, if any, are the potential adverse impacts on this 2017 ERRA proceeding, or on the settlement agreement approved in D.15-12-033, as a result of reopening the record in the SONGS Settlement approved in D.14-11-040?

6. Proceeding Schedule

The parties agree that the below schedule shall guide this proceeding:

EVENT	DATE
Prehearing Conference	June 29, 2016
SCE Workshop	June 30, 2016
Intervenor Testimony (if any) Served (e-mail service)	14 days after Scoping Memorandum issues
Concurrent Rebuttal Testimony (if any) Served (e-mail service)	7 days after Intervenor Testimony served
Evidentiary Hearing (if required)	October 21, 2016 at 10:00 a.m. Commission Courtroom State Office Building 505 Van Ness Avenue San Francisco, CA 94102
SCE Update Testimony Filed	November 10, 2016

Last Day for Parties to Stipulate to Shortened Comment Period and Mailing time / Last Day Proposed Decision Can be Mailed for December 15 Meeting ⁶	November 14, 2016
Simultaneous Opening Briefs Filed and Served, including comments (if any) on SCE November Update (e-mail service). No Reply Briefing possible.	November 18, 2016
Proposed Decision Mailing Date	December 2, 2016

This schedule may be altered by the assigned Commissioner or Administrative Law Judge (ALJ). The parties agree that there shall be a shortened 14-day comment period under Section 311(d), if a hearing is held and Reply Briefing and comments on the November update are not completed until November 18. If hearings are held, the dates above will be revised via email ruling by the ALJ. In any event, consistent with Section § 1701.5, the Commission anticipates that this proceeding will be completed within 18 months of the date of this scoping memo. The proceeding will stand submitted for decision by the Commission upon the filing of reply briefs, unless oral argument is scheduled or the ALJ or assigned Commissioner directs further evidence or argument.

7. Final Oral Argument

Pursuant to Rule 13.13, any requests for a final oral argument before the Commission must be filed and served at the same time as opening briefs.

⁶ This date reflects the mailing date to permit the 30 day comment period required under Section 311(d). However, if the parties stipulate to shorten the comment period, then the proposed decision may be mailed later.

8. Intervenor Compensation

Pursuant to Pub. Util. Code § 1804(a)(1), a customer who intends to seek an award of Intervenor Compensation must file and serve a notice of intent to claim compensation within 30 days after the PHC, i.e., July 29, 2016.

9. Presiding Officer

Pursuant to Rule 13.2, I designate ALJ Patricia B. Miles as the Presiding Officer. Either the assigned Commissioner or Presiding Officer may amend the scope and schedule set out herein.

10. Filing, Service, and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct, and serve notice of any errors on the Commission's Process office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocols in Rule 1.10, which are set forth in Section 8. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Parties are reminded, when serving copies of documents, the document format must be consistent with the requirements set forth in Rules 1.5 and 1.6. Additionally, Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents.

Rules 1.9 and 1.10 govern service of documents only and do not change the Rules regarding the tendering of documents for filing. Parties can find information about electronic filing of documents at the Commission's Docket

Office at www.cpuc.ca.gov/PUC/efiling. All documents formally filed with the Commission's Docket Office must include the caption approved by the Docket Office and this caption must be accurate.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

Discovery may be conducted by the parties consistent with Article 10 of the Commission's Rules. Any party issuing or responding to a discovery request shall serve a copy of the request or response simultaneously on all parties. Electronic service under Rule 1.10 is sufficient, except Rule 1.10 does not apply to the service of discovery and discovery shall not be served on the ALJ. Deadlines for responses may be determined by the parties. Motions to compel or limit discovery shall comply with Rule 11.3.

11. Electronic Submission and Format of Supporting Documents

The Commission's web site now allows electronic submittal of supporting documents (such as testimony and work papers).

Parties shall submit their testimony or work papers in this proceeding through the Commission's electronic filing system.⁷ Parties must adhere to the following:

⁷ These instructions are for submitting supporting documents such as testimony and work papers in formal proceedings through the Commission's electronic filing system. Parties must follow all other rules regarding serving testimony. Any document that needs to be formally filed such as motions, briefs, comments, etc., should be submitted using Tabs 1 through 4 in the electronic filing screen.

- The Instructions for Using the “Supporting Documents” Feature, (<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=158653546>) and
- The Naming Convention for Electronic Submission of Supporting Documents, (<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=100902765>).
- The Supporting Document feature does not change or replace the Commission’s Rules of Practice and Procedure. Parties must continue to adhere to all rules and guidelines in the Commission’s Rules of Practice and Procedures including but not limited to rules for participating in a formal proceeding, filing and serving formal documents and rules for written and oral communications with Commissioners and advisors (i.e. “*ex parte* communications”) or other matters related to a proceeding.
- The Supporting Document feature is intended to be solely for the purpose of parties submitting electronic public copies of testimony, work papers and workshop reports (unless instructed otherwise by the ALJ), and does not replace the requirement to serve documents to other parties in a proceeding.
- Unauthorized or improper use of the Supporting Document feature will result in the removal of the submitted document by the Commission.
- Supporting Documents should not be construed as the formal files of the proceeding. The documents submitted through the Supporting Document feature are for information only and are not part of the formal file (i.e. “record”) unless accepted into the record by the ALJ.

All documents submitted through the “Supporting Documents” Feature shall be in PDF/A format. The reasons for requiring PDF/A format are:

- Security – PDF/A prohibits the use of programming or links to external executable files. Therefore, it does not allow malicious codes in the document.
- Retention – The Commission is required by [Resolution](#) L-204, dated September 20, 1978, to retain documents in formal

proceedings for 30 years. PDF/A is an independent standard and the Commission staff anticipates that programs will remain available in 30 years to read PDF/A.

- Accessibility – PDF/A requires text behind the PDF graphics so the files can be read by devices designed for those with limited sight. PDF/A is also searchable.

Until further notice, the “Supporting Documents” do not appear on the “Docket Card.” In order to find the supporting documents that are submitted electronically, go to:

- Online documents, choose: “[E-filed Documents](#), ”
- Select “Supporting Document” as the document type, (do not choose testimony),
- Type in the proceeding number and hit search.

Please refer all technical questions regarding submitting supporting documents to:

- Kale Williams (kale.williams@cpuc.ca.gov)
(415) 703- 3251 and
- Ryan Cayabyab (ryan.cayabyab@cpuc.ca.gov)
(415) 703-5999

12. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission’s procedures or who has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the commission’s Public Advisor at 866-849-8390 or 415-703-2074 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov

IT IS RULED that:

1. The scope and schedule are as set forth in the body of this ruling unless amended by a subsequent ruling of the assigned Commissioner or Presiding Officer.
2. This proceeding is categorized as ratesetting. This ruling as to category is appealable pursuant to Rule 7.6 of the Commission's Rules of Practice and Procedure (Rules).
3. This proceeding may require evidentiary hearings.
4. Any party requesting a final oral argument before the Commission shall file and serve such request on the same date that opening briefs are due.
5. *Ex parte* communications are subject to Rules 8.1, 8.2, 8.3, and 8.5 of the Commission's Rules of Practice and Procedure, and Public Utilities Code Section 1701.3(c).
6. Pursuant to Rule 13.2, Administrative Law Judge Patricia B. Miles is the Presiding Officer.
7. Parties shall adhere to the instructions provided in Section 11 of this ruling for submitting supporting documents, including testimony.

Dated August 5, 2016, at San Francisco, California.

/s/ MICHEL PETER FLORIO

Michel P. Florio
Assigned Commissioner